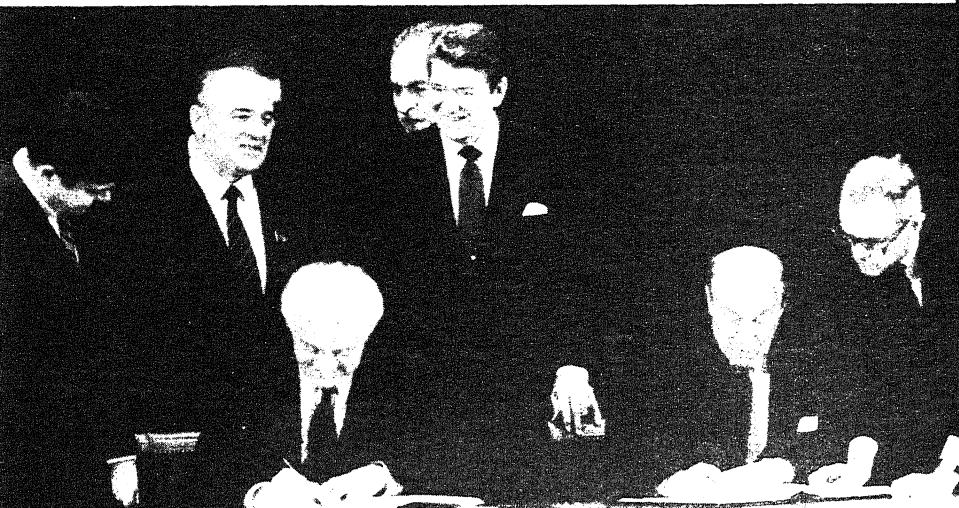


Conducting Our Foreign Relations: An Investment in America's Future



United States Department of State
May 1987



Front cover (left to right):

Secretary Shultz and Soviet Foreign Minister Shevardnadze sign exchanges agreement at Geneva summit in November 1985 (White House photo/Bill Fitz-Patrick).

Vice President Bush visiting refugee camp in Sudan in March 1985 (White House photo/Dave Valdez).

Back cover (left to right):

AID clean water project in the Philippines (AID photo).

NATO ministerial meeting in May 1984 (NATO photo).

Guatemalans waiting to vote in 1985 elections (AID photo).

Conducting Our Foreign Relations: An Investment in America's Future

United States Department of State
Bureau of Public Affairs
Washington, D.C.

Foreign Affairs: An Essential Investment

Diplomacy is our first line of defense in the nuclear age. It represents the constant search for peace—through patient and arduous negotiation, through the retention of strong allies, through the pursuit of international cooperation, through the effort to resolve local grievances and conflicts, through imaginative programs to encourage economic development. Spending on diplomacy is not a foreign giveaway program but an essential investment in the nation's future.

- It promotes our alliances and helps ensure vital access to military bases.
- It supports American exports and trade and thus creates American jobs.
- It funds our global activities to advance democracy, human rights, and economic growth and prosperity.
- It pays for our contribution to such vital international institutions as the World Health Organization and provides humanitarian assistance such as food for African victims of famine and drought.

- It allows us to conduct diplomatic relations with 155 countries concerning such urgent issues as terrorism and narcotics control.
- It pays for U.S. information and cultural exchange programs in support of American diplomacy and values, at a time when the "battle of ideas" has never been more important.
- It does this, and much more, for *less than two cents of every budget dollar*.
- Of a Federal civilian work force of some 3 million, only about 36,000 Americans are employed in international affairs activities.

Foreign Affairs Spending Since World War II

Foreign affairs spending peaked in the late 1940s and early 1950s at the height of the Marshall Plan (see box), when roughly 12% of all Federal expenditures were devoted to international programs. Secretary of State Marshall belonged to a generation of statesmen, of both political parties, who realized that the U.S. retreat into isolation after the First World War was in no small measure to blame for the outbreak of the second, and who were determined not to repeat this mistake.

Since then, foreign affairs spending has declined sharply from 12% to less than 2% of Federal expenditures, even as U.S. interests have expanded dramatically in the face of the Soviet global challenge. For fiscal year (FY) 1987, the President's foreign affairs funding request was cut more than any other item in the budget, from \$22 billion to less than \$17 billion. Actual appropriations for FY 1987 were roughly \$2 billion below the FY 1986 level and \$5.6 billion below FY 1985, a 25% decline in only 2 years. If some of these funds are not restored, the United States may find itself one day soon without the foreign policy tools needed to get the job done.

The Marshall Plan

The post-World War II expansion of Soviet communism in Eastern Europe and the Soviet threat to the Eastern Mediterranean presented a new kind of challenge to the United States. For the first time in our history, the resources needed to conduct a successful diplomacy became a crucial foreign policy issue. Soviet pressures on Greece and Turkey led the United States in 1947 to initiate a program of military aid to those countries. Alarm at the growing strength of the communist parties in Italy and France and the economic weakness of Western Europe led Secretary of State George Marshall to propose a massive European recovery program in his June 5, 1947, commencement address at Harvard University.

The Marshall Plan was approved by a Republican Congress on the recommendation of a Democratic president. It cost about \$14 billion, compared to the estimated final cost of the Second World War, about \$30 billion a month. Was the plan's cost, about 2 week's worth of World War II, worth the expense? Few doubt the Marshall Plan saved Europe from Soviet domination; many would agree that it prevented another war.

Foreign Affairs Outlays, FY 1985 (\$ billions)

| | |
|---|--------------|
| Total Federal Government | 946.0 |
| Total Foreign Affairs¹ | 19.0 |
| Foreign Aid | 15.0 |
| Foreign Affairs Administration ² | 2.0 |
| Foreign Information and Exchanges | 0.8 |
| Other | 1.2 |

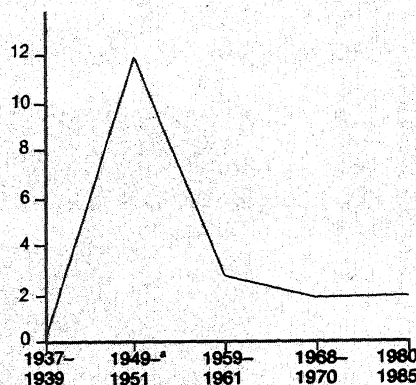
¹Includes total outlays of the Department of State, Agency for International Development (AID), Export-Import Bank (Eximbank), International Trade Commission (ITC), National Security Council (NSC), Overseas Private Investment Corporation (OPIC), United States Information Agency (USIA), Office of the United States Trade Representative (USTR), and Peace Corps, plus outlays for foreign-affairs-related activities for the Departments of Agriculture, Commerce, Energy, Labor, and Treasury and outlays for salaries of Department of Defense personnel with foreign affairs occupational specialties.

²Expenses of Department of State and Foreign Service and contributions to international organizations and conferences.

Source: *Budget of the United States, FY 1987*, and supplementary information from individual U.S. Government agencies.

Average Annual Percentage of Outlays, 1947-85

Percent



^aPeriod of intensified economic and military assistance.

Source: *Budget of the United States Government* (years as indicated).

Challenges to Foreign Policy Goals: Some Examples

National Security

Some of our allies provide overseas bases that are critically important if we are to be able quickly and effectively to project our military power to trouble spots in times of crisis. Without these allies and the vital military and port facilities they provide, we would have to spend a great deal more on our own defense and have many more of our own citizens under arms. In recognition of this, we sometimes help finance the modernization of their armed forces and/or assist them in dealing with their economic problems. Over the years we have made commitments to do so. Yet current resources fall far short of what is needed to pay for these commitments.

For example, on NATO's southern flank, aid to Spain was cut by 73% in FY 1987, and substantial cuts have been made in aid to Portugal, Turkey, and Greece. These reductions raise serious doubts about U.S. dependability and risk the loss of vital military and port facilities

in an area of fundamental importance to U.S. security and that of our NATO partners.

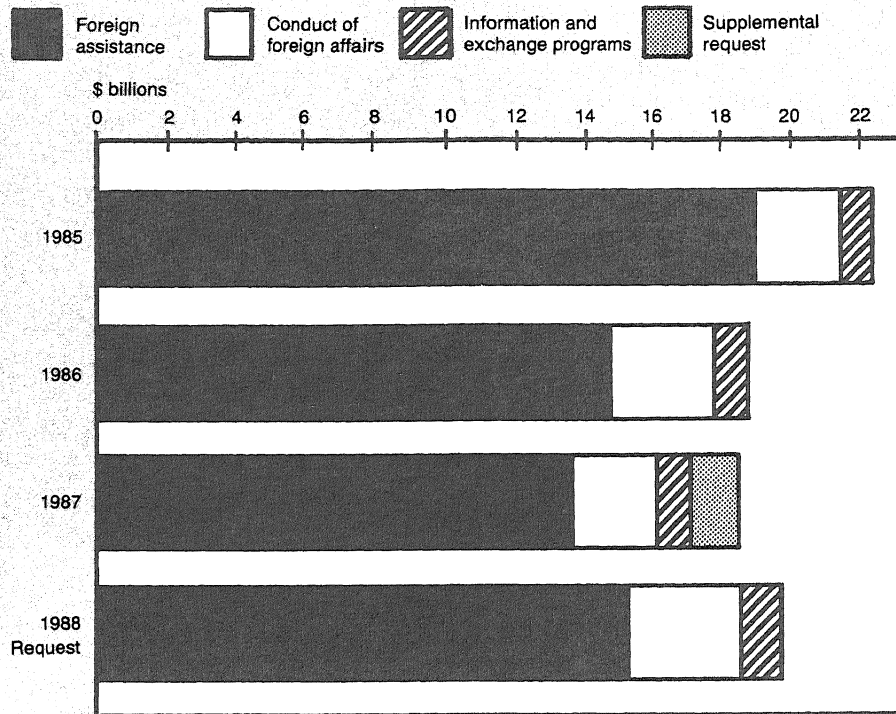
Another region crucial to the United States is the Middle East. We want to support the Arab-Israeli peace process, check the spread of Soviet influence, and maintain free access to Persian Gulf oil. Our security and economic assistance programs to Israel and Egypt play a key role in achieving those objectives, and thus far we have been able to fully support them. So too, however, does assistance to close friends such as Tunisia, Jordan, and Morocco—all of whom have sustained sharp cuts in FY 1987.

Pakistan is another key security partner that has strongly opposed Soviet aggression in Afghanistan and is now host to nearly 3 million Afghan refugees. Support for Pakistan is indispensable if it is to continue to bear the enormous

economic burden of the refugees and to negotiate firmly for Soviet withdrawal.

Supporting global measures for peace also obliges the United States to play an active role in the United Nations. For the past several years, we have worked strenuously to restore and improve the U.S. position in the United Nations. In the General Assembly we succeeded in promoting the adoption of a decisionmaking process on fundamental issues of budget and program priorities that could greatly enhance the influence of the United States and other major donors. These reforms can provide the basis for rebuilding U.S. support for the United Nations as a genuine international forum for harmonizing conflicting national interests, and one that has made a significant contribution in such fields as peacekeeping, humanitarian assistance, and eradicating disease. Now it is incumbent on us to restore our financial contribution to the United Nations to its traditional levels, consistent with our size, commitments, and responsibilities.

International Affairs Appropriations, FY 1985-88



The key to all our efforts to work with governments around the world is the institution of the Department of State. As a result of budget cuts made to date, the infrastructure of this Department is threatened. As many as 700 full-time State Department positions may be eliminated and numerous posts closed—even closed in 1986, seven more closures are underway in 1987, and even more may be required in the future. Overseas staffs face sharp reductions. What's more, these cuts threaten the viability of the career Foreign Service. Fewer positions means fewer officers at all levels—officers whose experience and training cannot be replicated in the short term even if the budget situation were to improve.

The Department of State is trying to limit the impact of these reductions at home and overseas and to maintain the necessary technology and support services for our worldwide operations. Continued cutbacks will result in less understanding of developments abroad, less ability to influence those developments, and insufficient resources to build support for the policies that serve our national interests.



President Reagan, Secretary Shultz, and Vice President Bush at the White House.

(White House photo/Pete Souza)

Promoting U.S. Prosperity

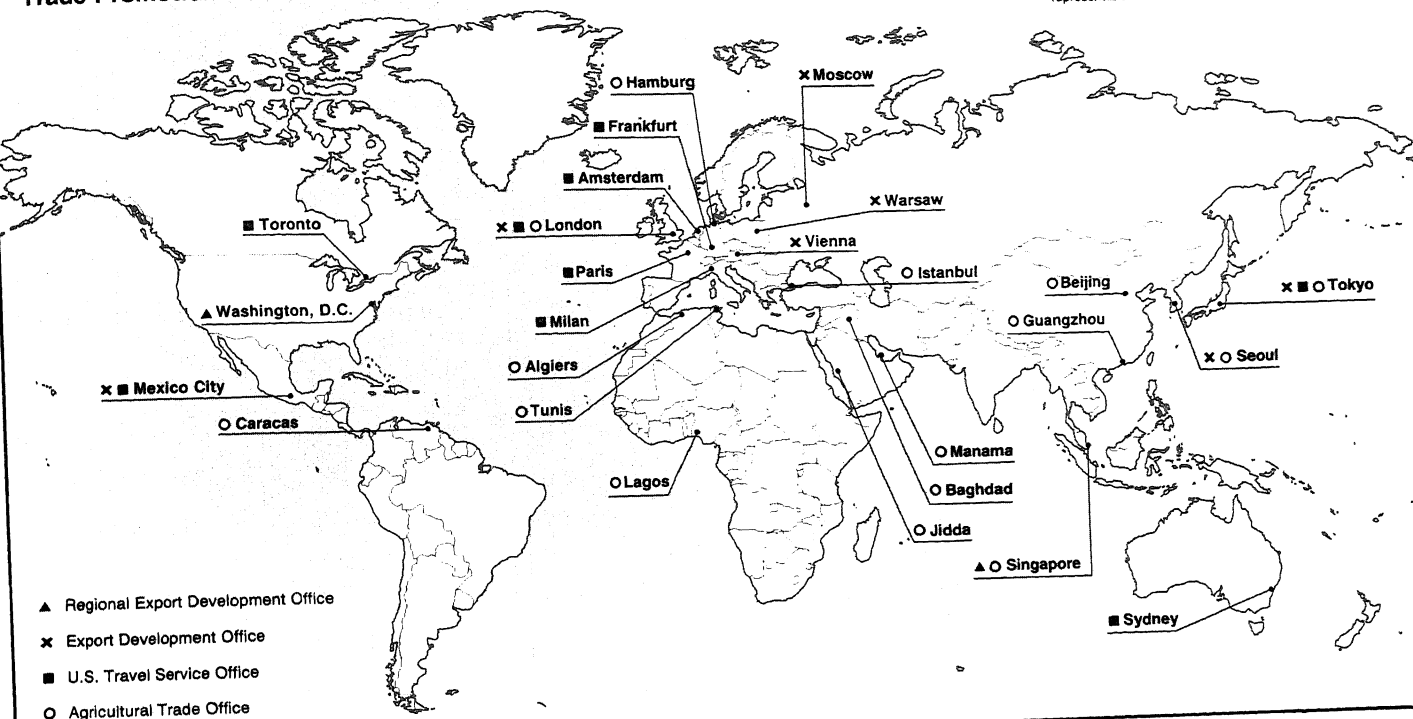
American prosperity is now linked to the world as never before. Economic conditions abroad are having a crucial impact on the health of our own economy.

- Every billion dollars we export creates about 26,000 jobs for Americans.
- About 40% of our exports go to the developing countries.
- The developing countries have accounted for more than half of the growth in U.S. exports since 1975.
- Roughly 1 out of every 20 workers in our manufacturing plants and 1 out of every 5 acres of our farmland produce for Third World markets.

The current economic stagnation in many developing countries has vividly—if painfully—highlighted these relationships. Between 1981 and 1985, for example, the countries of Latin America and the Caribbean experienced a sharp decline

Trade Promotion Offices Abroad

The United States has not recognized the incorporation of Estonia, Latvia, and Lithuania into the U.S.S.R. Boundary representation is not necessarily authoritative.



in their real incomes. U.S. exports to the region dropped by more than \$11 billion—equivalent to a loss of 300,000 American jobs. In Africa, U.S. exports fell by \$1.5 billion, representing the loss of another 40,000 jobs.

Thus, by promoting economic development in the Third World, our assistance contributes directly to our own economic well-being as well as theirs. For example, in 1960, Turkey's per capita income was about \$500; Pakistan's was barely \$100 per year. U.S. exports to them were small. By 1985, both countries had more than doubled their income and had become major purchasers of U.S. products. Since 1979, U.S. exports to Pakistan have doubled; to Turkey they have nearly quadrupled. So when cuts are made in U.S. economic assistance, it isn't only foreign nationals who are hurt. Americans whose livelihoods depend on exports to the Third World are victimized as well.

It was with such results in mind that the United States launched a comprehen-

Promoting American Exports

Since the end of World War II, the United States has been a leader in promoting a more open and equitable international trading system. We are the world's largest trading nation, and millions of American jobs are export related. Spending on foreign affairs helps to support trade promotion and other commercial activities at our embassies and consulates abroad. American ambassadors have the lead role in this effort, supported by specialists of the Department of Commerce's Foreign Commercial Service and by Foreign Service officers of the Department of State. Agricultural issues are handled by attaches of the Department of Agriculture's Foreign Agricultural Service.

In addition, the Department of Commerce maintains several special facilities

overseas. These include export or trade development offices to promote the sale of U.S.-manufactured goods and services and U.S. Travel Service Offices to attract foreign tourists to the United States. The Department of Agriculture maintains Agricultural Offices to promote agricultural sales. U.S. businesses rely heavily on State Department reporting on economic and commercial policies and conditions overseas, particularly in developing countries.

The promotion of U.S. industrial and agricultural exports is one of the highest priorities of our embassies and consulates around the world. Every reduction in the number of those posts or in their staffs results in a loss of knowledge of export opportunities as well as undermining an important mechanism for bringing American business to foreign markets.

sive plan to return heavily indebted developing countries to a path of sustained economic growth. The plan calls for bold and courageous economic reforms by the developing countries, supported by the multilateral banks, commercial banks, and bilateral aid.

But for FY 1987, the first year the plan was operative, the funding request for the World Bank and the African, Asian, and Inter-American Development Banks was cut by one-third. Similarly, the United States could provide only 30% of the resources necessary to support economic policy reforms in Africa because of deep budget cuts. The cuts in our support for the World Bank and the other multilateral banks are especially damaging. For example, every dollar the United States contributes to the International Development Association, the World Bank's affiliate for aiding the poorest countries, is matched by more than three dollars from other countries. Consequently, when the United States fails to meet its commitments, the World Bank's lending program is reduced by \$4 for each dollar we fall short.



Plenary session of the Tokyo economic summit in May 1986 (White House photo/Bill Fitz-Patrick).

Promoting Democratic Values

The United States has a vital stake in promoting democratic values and institutions. Democratic nations respect the rule of law both domestically and in foreign affairs; they are more stable internally, more capable of resisting subversion through their own efforts. Thus, in promoting democratic values and human rights, we are protecting our security and prosperity as well as advancing our basic ideals.

One country where our successes in this area are especially noteworthy is the Philippines. There, President Aquino offers genuine hope for establishing a stable, democratic, and prosperous country. U.S. military and economic assistance is essential to the fulfillment of these goals. We are seeking additional aid for the Philippines as a tangible demonstration of our unequivocal commitment to the Aquino government—and to the stability of a region where two of our most important overseas bases are located.

“These cuts threaten our vital interests not just in one or two regions but around the globe. They threaten the stability of our allies. They threaten our war on drug traffickers and on terrorists. They threaten our attempt to promote democratic values and reforms. They threaten our efforts to expand and develop trade. And they threaten our ability to pursue a coherent foreign policy by undermining our foreign affairs infrastructure and weakening our career Foreign Service.”

Secretary Shultz,
January 23, 1987

Democracy also is on the march in our own hemisphere, transforming political and social conditions and presenting opportunities for further advancement. Ten years ago, about 34% of Latin Americans lived in countries whose governments were democratic; today, more than 90% live in such countries. Latin America finally has a real opportunity to escape the cycle of unstable alternation between civilian governments lacking the authority to govern and military governments lacking the legitimacy to endure.

To sustain this progress, the new democracies of Central America and the Caribbean desperately need our economic support. The President's Caribbean Basin Initiative and the recommendations of the National Bipartisan Commission on Central America provide a comprehensive national strategy for such support. Because of budgetary cuts, there will be a cumulative shortfall from the Commission's recommendations of more than \$800 million through FY 1987.



President Reagan addressing the Soviet people over the Voice of America in November 1985.

Long-term Investments in Foreign Leadership

The United States has a grant program that brings potential leaders to the United States for extended periods of time so they can see for themselves how America works. The program is costly, and the grants are coveted. Most ambassadors try to choose those who are neither already pro-American nor ideologically opposed to the West. One ambassador recalls that he selected a little-known schoolmaster who was interested in local politics in a communist-dominated district. After visiting the United States, this grantee met with the ambassador and asked that the embassy follow up in his home community so as to convince his fellow citizens that his grant wasn't just a one-time shot or a reward. AID rerouted a group of American agricultural experts to his district and later the U.S. Information Service sent a motion picture team. Within months and without further assistance from the embassy, the schoolmaster organized a political campaign that unseated the local communist-dominated officials at the next local elections.



Afghan refugee children in Pakistan receiving food rations.

“A Breath of Life”

The Voice of America is crucial in keeping alive the cause of freedom around the world. Dr. Haing Ngor, the Cambodian physician who won an Academy Award for his role in “The Killing Fields,” said that when the Khmer Rouge trampled on Cambodia, people buried their radios in the ground for fear of retaliation if caught listening. When the Khmer Rouge were ousted as a result of the Vietnamese invasion, the Cambodians dug up their radios and discovered that the batteries were dead. They soaked the batteries in water and laid them in the sun and obtained 15 minutes of listening time, which they used to tune into the VOA. Dr. Ngor described listening to VOA for himself and his countrymen as a “breath of life.” VOA supplies that “breath of life” to millions of others around the world who are denied information.

The Voice of America (VOA) and Radio Free Europe/Radio Liberty also play an essential role in promoting democratic values and undermining the monopoly on information that is a key element in the Soviet and East European governments' mechanisms for maintaining their control. Yet much of the equipment we use to get our message across is woefully outdated. In 1983, for example, President Reagan went to the Voice of America's Washington studios to deliver a radio address transmitted live to the U.S.S.R. and other parts of the world. The message was delivered from the same VOA facility that President Eisenhower used 26 years earlier—with the same electronic equipment.

VOA has undertaken a modernization program in recent years, but it still has a long way to go. The VOA has 6 superpower transmitters; the Soviet Union has 37. The VOA broadcasts in 42 languages; Radio Moscow in 80. Currently, the Soviet Union spends \$2 billion each year to broadcast 2,000 hours of pro-

gramming worldwide in more than 80 languages. And it spends more on jamming USIA broadcasts than USIA spends on transmitting them.

Humanitarianism

The American people can be justifiably proud of their humanitarian efforts.

Over the past few years, U.S. assistance has meant the difference between life and death for literally millions of Africans who faced the worst drought and famine the continent has experienced in this century. During the height of this crisis, in 1985, the United States provided more than 3 million metric tons of food aid at a cost of more than \$1 billion; another \$95 million was spent to provide medicines, shelter, wells, and the other immediate needs for those worst affected by the drought. All of this was in

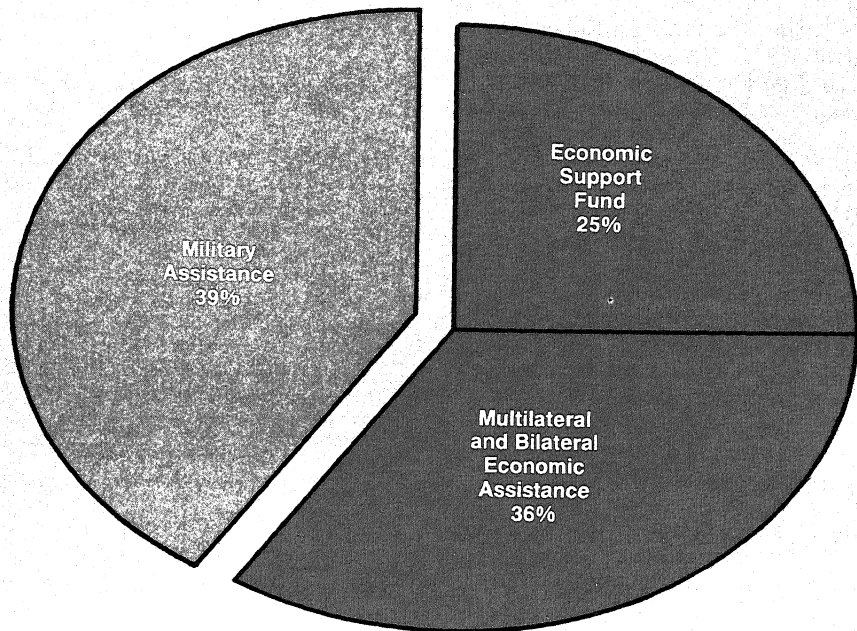
addition to the regular economic assistance we provided during the same period.

U.S. economic assistance to sub-Saharan Africa in FY 1987 is 32% less than in 1985. As a result, famine relief could be significantly reduced and some humanitarian programs could be eliminated entirely.

U.S. support for the World Health Organization and UNICEF has helped rid the world of some of the most deadly and contagious diseases and has dramatically reduced infant mortality. Similarly, assistance to Colombia after its volcanic disaster, major earthquake relief efforts in San Salvador and Mexico City as well as Ecuador, and our support to combat locust infestations that could have caused severe food shortages in many African countries are activities of which the American people can be proud.

Our assistance to the world refugee population is especially noteworthy. In the 6 fiscal years since the passage of the Refugee Act of 1980, the American

Foreign Assistance, FY 1988 Request



people have offered new homes to more than 500,000 refugees—a population greater than that for all other resettlement countries combined. And we have profited a great deal by doing so. Indeed, we know from experience that every generation of refugees has made enormous contributions to all sectors of our society. Just look at those who fled from Nazi Germany, from the Soviet Union, and from Cuba. The benefits this nation has gained from the refugees who have resettled here are incalculable.

There are some 260,000 Cambodians living precariously in Thailand border encampments, driven there by the Vietnamese military occupation. To sustain their livelihood and hopes for eventual return to their homeland in peace and safety, the United States provides funding to the multilateral UN Border Relief Operation. We also support the efforts of the UN High Commissioner for Refugees and the International Committee of the Red Cross in providing assistance to

The U.S. Embassy in Mexico City and the 1985 Earthquake

On September 19, 1985, an earthquake measuring 8.1 on the Richter scale devastated parts of Mexico City and killed more than 9,000 persons. The U.S. Embassy in Mexico City went into action and mounted a round-the-clock relief operation. The consular section under Consul General Dick Peterson had the task of accounting for the more than 400,000 Americans resident in Mexico and the 26,000 American tourists visiting Mexico on any given day. To handle the avalanche of calls from desperate relatives and friends, the section established a 24-hour-a-day task force consisting of consular officers—including some flown in for temporary duty from Montreal, Toronto, Santo Domingo, San Jose, and Monterrey—and augmented by

spouses from the official U.S. community who volunteered to help. Other consular teams had the grim task of visiting the morgues, hospitals, and hotels for information and identification of American citizens. Within the first 5 days of the quake, as all regular means of communication with Mexico City were not functioning, the embassy's task force sent the names and messages of more than 7,000 U.S. citizens in Mexico to the Department of State for transmission to their friends and loved ones back home. The embassy also spearheaded an American relief operation to save the trapped, feed and shelter the homeless, and help rebuild the devastated portions of the city.

Khmer, Laotian, and Vietnamese refugees in Thailand and elsewhere in Southeast Asia. Without these programs, our staunch ally, Thailand, would be threatened by instability along its most critical borders.

The UN Relief and Works Agency for Palestine refugees (UNRWA) provides education, vocational training, medical care, and relief services to more than 2 million Palestinian refugees in the Near East. Largely because of UNRWA programs, most Palestinian refugees are economically self-sufficient. UNRWA helps preempt the sort of desperation that leads to extremism and acts of violence and thus can help create a climate fundamental to peace. It is, therefore, important to our national interests and to those of our friends in the region that UNRWA receive an adequate and consistent level of financial support from the United States. In addition, the United States provides critical life-sustaining support to multilateral efforts on behalf of refugees in Pakistan, in the Horn of Africa, in southern Africa, and in Central America.

The War on Narcotics

Stemming the flow of narcotics into the United States is another major priority for all Americans. But this is also a costly undertaking.

- Farmers in most drug-producing countries cannot be persuaded to stop growing their best cash crop without having other economic alternatives.
- The governments of these nations cannot be expected to launch major programs without the economic resources to sustain them.
- And drug traffickers and narcoterrorists will not give up their lucrative business without putting up a fight. They are working overtime to elude interdiction and undermine democratic institutions by intimidation, corruption, and violence.

Thus, stopping the flow of drugs into our country requires economic and military assistance as well as narcotics con-

“... the hard question for us, today, is whether we should succumb to the temptation of letting politically expedient, immediate budget cuts in the foreign affairs field drive our larger, longer term policy interests.”

**Deputy Secretary Whitehead,
February 25, 1987**

trol funds. For example, in Bolivia, our military aid is helping to buy equipment used for narcotics control; our development assistance is being used to promote rural development and light industry, thereby offering farmers alternatives to coca; and our narcotics control money helps pay for police interdiction activities and public education.

The other Andean countries of Peru, Colombia, Ecuador, and Venezuela also are waging war against narcotics traf-

fickers and terrorists. In 1986, these countries joined Bolivia in signing a treaty pledging regional cooperation against narcotics trafficking and production, on drug prevention measures, and on adopting antinarcotics legislation. They are following up on their pledge with concrete action. Colombia, for example, has eradicated 85% of the marijuana cultivated in traditional growing areas through an aerial herbicide program, using U.S.-provided aircraft and communications equipment. Peru is actively engaged in the eradication of coca and has aggressively destroyed laboratories and airstrips used by cocaine traffickers.

These successes demonstrate that resources are critical in winning the battle against narcotics. If we cannot provide this vital assistance to the Andean nations, we not only will be sending a signal that we are unreliable and indifferent to their problems; we also will set back our own campaign to create a drug-free America. In FY 1987, the

Andean countries received insufficient funding to sustain their antinarcotics efforts.

Combating Terrorism

In recent years, terrorist violence has taken an increasingly grim toll of human life. In 1986, nearly 800 terrorist attacks took place against citizens and facilities of more than 80 countries, involving nearly 2,000 casualties.

Protecting ourselves against terrorism does not come cheaply, but it does pay dividends. Aggressive intelligence analysis, heightened security awareness, and enhanced physical security helped thwart or deter about 120 possible terrorist incidents last year.

Countering terrorism also means working with other nations to identify, track, apprehend, prosecute, and punish terrorists. In some cases, it means persuading nations that are reluctant to cooperate; in others, it means providing training and other assistance to those with the will, but not the means, to cooperate.

Cooperation such as this has begun and is showing results. In the last year, international terrorists have been arrested in eight European countries, indicted and, in some cases, convicted. West European governments also agreed to a series of security and diplomatic measures against Libya and Syria. These actions would have been impossible without increased international cooperation.

But these are only the opening shots in the struggle against terrorism; much more needs to be done, including unilateral efforts. For example, more than 60 of our embassies and more than 300 other buildings abroad need to be totally replaced if we are to meet the basic security standards required for the protection of U.S. citizens. Although Congress has authorized a multiyear program, appropriations have been insufficient to fulfill essential requirements.

A \$20-million interagency counterterrorism research and development program has been reduced by 50% at a

time when terrorists are becoming more ingenious and are using more sophisticated methods. We thus have had to reduce our research and development projects on detecting explosives and chemical and biological agents.

The information, insight, and contacts with other governments necessary to fight terrorism dramatize the need for a professional and vigorous U.S. Foreign Service. In order to formulate policy, we need accurate and up-to-date reporting on political and economic conditions around the world. More than three-quarters of the reporting and analysis used by the U.S. Government comes from Foreign Service officers stationed around the world. These are the same officers who also work to gain support for our policies. Yet, as noted above, the Department of State may have to reduce sharply its overseas staff and close additional posts. It also may have to cut back on foreign language training at overseas posts by 50%.



The American Embassy in Beirut after terrorist bombing in April 1983 (© Wide World).

Conclusion

These are only a few of the many serious and immediate challenges we face in the world today—challenges that directly affect our basic national interests. But if the challenges are great, so are our strengths and opportunities.

- Our political and economic freedoms hold the greatest promise for the future of all nations.
- Our diplomacy is active in seeking practical, negotiated solutions that will strengthen the peace.
- We have rebuilt our military power so that we can better defend our interests and discourage others from violence.
- And we have allies with whom we share common purposes and ever more effective cooperation.

The foreign policy challenge for the American people is whether we will continue to make the best use of our energy and creativity in the service of peace and our democratic ideals.

Among other things, this requires adequate resources—modest resources, but sustained and applied credibly over time. Without them, our ability to act as a world leader will gradually erode and with it the accomplishments we have worked so hard to achieve.

The fact is, we cannot remain a first-class world power unless we are willing to commit the necessary resources in pursuit of our objectives. Nor can we maintain our political, economic, and humanitarian values in a dynamic and threatening world environment through the strength of our military power alone. We must maintain our capacity to understand and influence developments affecting our interests in a complex international arena.

The two cents of every budget dollar we spend to conduct our foreign relations is therefore an essential and cost-effective investment in a better future for ourselves and our children.

U.S. Department of State

[Executive Department] The Department of State advises the President in the formulation and execution of foreign policy. As Chief Executive, the President has overall responsibility for the foreign policy of the United States. The Department of State's primary objective in the conduct of foreign relations is to promote the long-range security and well-being of the United States. The Department determines and analyzes the facts relating to American overseas interests, makes recommendations on policy and future action, and takes the necessary steps to carry out established policy.

The Department engages in continuous consultations with the American public, the Congress, other U.S. departments and agencies, and foreign governments; negotiates treaties and agreements with foreign nations; speaks for the United States in the United Nations and in more than 50 major international

organizations in which the United States participates; and represents the United States at more than 800 international conferences annually.

Foreign Affairs Agencies and Functions

African Development Foundation.

[Independent U.S. Government Corporation] Established to support the self-help efforts of poor people in African countries by extending grants, loans, and loan guarantees to any African private or public group, association or other entity engaged in peaceful activities that enable the people of Africa to develop more fully.

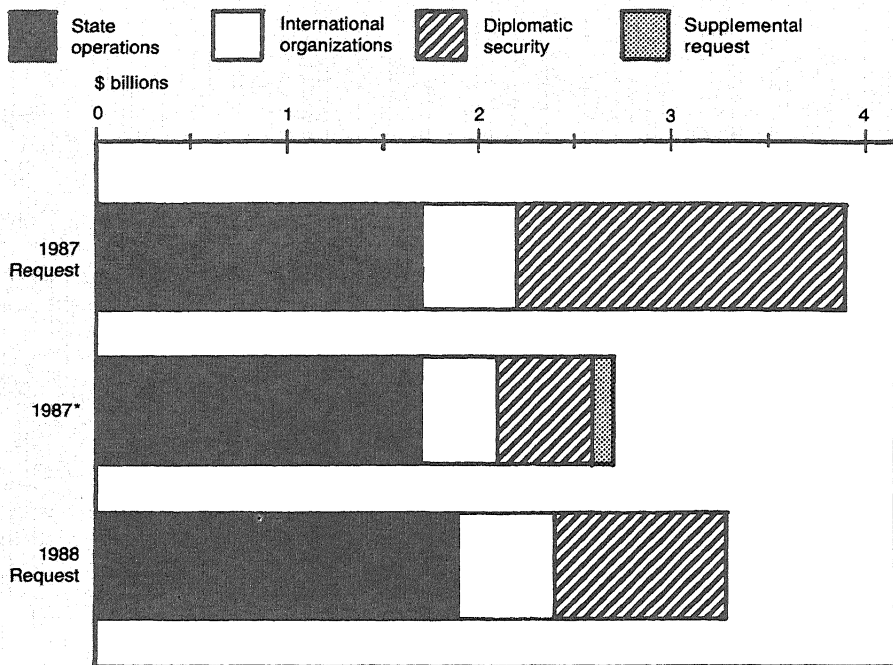
Agency for International Development.

[Component of International Development Cooperation Agency] AID carries out economic assistance pro-

programs designed to help the people of developing countries develop their human and economic resources, increase their productive capacities, and improve the quality of human life as well as promote economic and political stability in friendly countries. AID administers programs within the following major categories of assistance: Development Assistance, Economic Support Fund, Specific Programs (e.g. International Disaster Assistance), Special Provisions (e.g. Women in Development), AID Overseas Organizations.

Board for International Broadcasting. [Independent Federal Agency] Oversees the operations of Radio Liberty, which broadcasts to the Soviet Union, and Radio Free Europe, which broadcasts to Poland, Romania, Czechoslovakia, Hungary, Bulgaria, and the Baltic States.

State Department Funding, FY 1987-88



* Appropriation and supplemental request.

**Commodity Credit Corporation
Export Credit Guarantee Program.**

[Program managed by the Foreign Agricultural Service of the U.S. Department of Agriculture] The program encourages the development or expansion of overseas markets for U.S. agricultural commodities by providing guarantees on private financing of U.S. exports to foreign buyers purchasing on credit terms. Program functions are shared between AID and USDA.

Defense Security Assistance

Agency. [Executive Agency of the U.S. Department of Defense] The purpose of DSAA is to direct, administer, and supervise the execution of approved security assistance plans and programs, such as military assistance and foreign military sales.

Export-Import Bank of the United States. [Independent Federal Agency]

The Eximbank facilitates and aids in financing exports of U.S. goods and

Serving American Citizens

Consular sections at our posts abroad provide various services for Americans and issue visas to foreigners for travel to the United States. Each American embassy has a consular section, as do American consulates in major cities other than the capital. Today, more Americans are traveling, studying, and doing business in other countries than at any other time in our nation's history. Every year nearly 2 million Americans in foreign countries seek help from U.S. consulates. Consular officers assist next of kin in the United States when relatives die abroad, help transfer funds to citizens in financial difficulty, assist in locating missing Americans, visit those in prison, assist hospitalized Americans, and process estate and property claims.

services. Its programs take the form of loans or the issuance of guarantees and insurance, so that the U.S. exporters and American private banks can extend appropriate financing without taking undue risks.

Food for Peace Program. [Program managed by the Foreign Agricultural Service of the U.S. Department of Agriculture] The Food for Peace Program (Public Law 480 Program, titles I and II) is aimed at long-range improvement in the economies of developing countries. The title II program authorizes the donation of agricultural commodities to foreign governments, voluntary relief agencies, or intergovernmental organizations. AID and USDA share responsibility for the title II program.

Foreign Agricultural Service.
[Executive Agency of the U.S. Department of Agriculture] The FAS maintains a

worldwide agricultural intelligence and reporting system through its attache service and has a continuing market development program to develop, service, and expand commercial export markets for U.S. agricultural products. It also manages the Food for Peace Program and the CCC [Commodity Credit Corporation] Export Credit Guarantee Program.

U.S. and Foreign Commercial Service. [Executive Service administered as part of the Department of Commerce] The U.S. and Foreign Commercial Service promotes U.S. exports and investigates and reports upon commercial and industrial conditions and activities in foreign countries of interest to the United States.

Inter-American Foundation. [Independent U.S. Government Corporation] The Foundation supports social and economic development in Latin America and the Caribbean by extending grants

Federal Government Civilian Employment, FY 1985

Number of persons

| | |
|--|-----------|
| Total Federal Government Civilian Employment | 3,000,000 |
|--|-----------|

| | |
|------------------------------------|--------------------------------------|
| Total Foreign Affairs ¹ | 36,000 (less than 2% of total) |
|------------------------------------|--------------------------------------|

¹U.S. citizens only—all State, AID, Eximbank, ITC, NSC, OPIC, Peace Corps staff, USIA, and USTR employees, plus foreign-affairs-related positions in Agriculture, Commerce, Defense, Energy, Labor, and Treasury.

primarily to private, indigenous organizations that carry out self-help projects benefiting poor people.

Office of International Cooperation and Development. [Office of the U.S. Department of Agriculture] The programs of OICD focus on sharing knowl-

edge of agriculture through development assistance and cooperation with other countries. In recent activities, OICD has been working closely with the Agency for International Development (AID) on the President's Caribbean Basin Initiative.

Overseas Private Investment Corporation. [Component of IDCA] OPIC assists U.S. investors to make profitable investments in over 90 developing countries. It encourages investment projects that will help the social and economic development of these countries. At the same time, it helps the U.S. balance of payments through the profits returned to this country, as well as the U.S. jobs and exports created.

Peace Corps. [Independent Federal Agency] The Peace Corps' purpose is to promote world peace and friendship, to help the peoples of other countries in meeting their needs for trained manpower, to help promote a better under-

Foreign Service Officers Backstop Congressional Observation Team

During the Philippine election of 1986, which led directly to Corazon Aquino's replacement of Ferdinand Marcos, embassy Foreign Service officers supported the Congressional Observation Team led by Senator Richard Lugar. Lugar characterized their reporting and other efforts as "superb, the best that anyone was receiving." Such work, he pointed out, "is all too frequently unheralded and unrecognized by the American public." The work of the FSOs was crucial in bringing about a smoothly coordinated, bipartisan shift in U.S. policy from support of the discredited Marcos regime to approval of the new Aquino government. FSO John Finney received the Rivkin Award for organizing the observer team, which helped "bring reform and peaceful change to a country critical to the U.S. national interest."

standing of the American people on the part of the peoples served, and to promote a better understanding of other peoples on the part of the American people. Volunteers work primarily in the areas of agriculture/rural development, health, and education. They serve for a period of 2 years, living among the people with whom they work.

Radio Free Europe/Radio Liberty, Inc. [U.S. Government nonprofit radio corporation overseen by the Board for International Broadcasting] Radio Free Europe broadcasts to Eastern Europe, and Radio Liberty broadcasts to the Soviet Union.

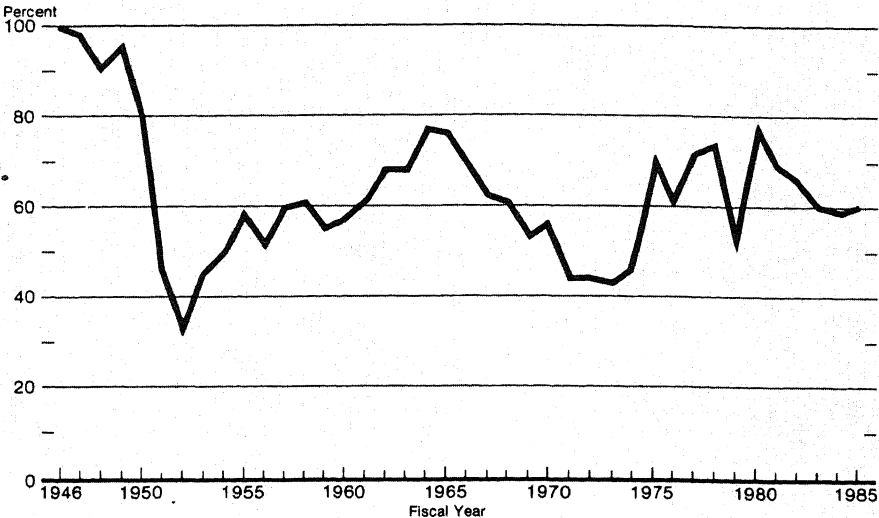
Trade and Development Program. [Organizational unit within IDCA] TDP promotes economic development and, simultaneously, the sale of U.S. goods and services to Third World countries.

U.S. Arms Control and Disarmament Agency. [Independent Federal Agency] The ACDA formulates and

implements arms control and disarmament policies that will promote the national security of the United States and its relations with other countries. It prepares and participates in discussions and negotiations with the Soviet Union and other countries on such issues as strategic arms limitations, mutual force reductions in Central Europe, preventing the spread of nuclear weapons to countries that do not now possess them, a prohibition on chemical weapons, and monitoring the flow of arms trade throughout the world.

U.S. Information Agency. [Independent Federal Agency] USIA is responsible for the conduct of U.S. overseas informational, educational, and cultural affairs programs, including the exchange of persons designed to build bridges of mutual understanding between the people of the United States and other peoples of the world. USIA engages in a

Economic Assistance as a Percentage of Total Foreign Assistance, FY 1946-85



wide variety of communication activities—from academic and cultural exchanges to press, radio, television, film, seminar, library, and cultural center programs abroad—to accomplish its goals to strengthen foreign understanding of American society, obtain greater support of U.S. policies, and increase understanding between the United States and other countries.

U.S. International Development Cooperation Agency. [Independent Federal Agency] The IDCA function is policy planning, policymaking, and policy coordination on the range of international economic issues affecting developing countries.

U.S. International Trade Commission. [Independent Federal Agency] The Commission furnishes studies, reports, and recommendations involving international trade and tariffs to the President, the Congress, and other government agencies. The Commission conducts a variety of investigations, public hearings,

and research projects pertaining to the international policies of the United States.

Selected Multilateral Organizations

The United States participates in the organizations listed below in accordance with the provisions of treaties, other international agreements, congressional legislation, or executive arrangements. In some cases, no financial contribution is involved.

I. United Nations, Specialized Agencies, and International Atomic Energy Agency:

For example:

Food and Agriculture Organization
International Maritime Organization
International Atomic Energy Agency
International Labor Organization
International Telecommunication Union
Universal Postal Union
World Health Organization



President Reagan meeting with President Corason Aquino of the Philippines during her September 1986 visit (White House photo/Pete Souza).

keeping:

e:

ons Disengagement Observer
UNDOF) and UNIFIL

American Organizations:

e:

n of American States
an Health Organization

al Organizations:

e:

n for Economic Cooperation
velopment

International Organizations:

e:

Monetary Fund
reement on Tariffs and Trade

Rescue of Americans Adrift in the Indian Ocean

In September 1985, two American women were rescued after being adrift for 21 days in the Indian Ocean when a boat they had chartered broke down southwest of Jakarta. Consular officers at the embassy in Jakarta worked with the Indonesian Government to coordinate the search for the missing women. Their efforts and concern made an extremely favorable impression on the women's parents, who went to Indonesia to aid in the search. In a letter to the Secretary of State, the parents warmly commended the consular officers:

"The level of concern and compassion they showed us was far and above beyond the call of duty. . . . We cannot express adequately the deep appreciation we feel for the care and consideration our embassy personnel showed us in this trying time in our lives, and the concern for our daughters. It is with full pride as Americans that we have come to realize, in this near tragic moment in our life, the superb quality of personnel in the Foreign Service. They made us indeed proud to be Americans."

VI. Special Voluntary Programs:

For example:

United Nations Children's Fund
United Nations Environment Program

Note: This glossary is taken from the *United States Government Manual*, which may be purchased for \$19 (GPO stock no. 022-003-01132-3) from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402 (Tel: 202-783-3238). Prices are subject to change without notice.

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